

**WORKFORCE TRAINING & EDUCATION  
COORDINATING BOARD**

**Private Vocational Schools Act (PVSA)  
Handbook**

**Revised Code of Washington (RCW) 28C.10  
And  
Washington Administrative Code (WAC) 490-105**

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**This handbook contains a revision. Please discard all previous editions of this handbook.**



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**RCW 28C.10.010 Intent.** It is the intent of this chapter to protect against practices by private vocational schools which are false, deceptive, misleading, or unfair, and to help ensure adequate educational quality at private vocational schools.

**RCW 28C.10.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

- (1) "Agency" means the work force training and education coordinating board.
- (2) "Agent" means a person owning an interest in, employed by, or representing for remuneration a private vocational school within or without this state, who enrolls or personally attempts to secure the enrollment in a private vocational school of a resident of this state, offers to award educational credentials for remuneration on behalf of a private vocational school, or holds himself or herself out to residents of this state as representing a private vocational school for any of these purposes.
- (3) "Degree" means any designation, appellation, letters, or words including but not limited to "associate," "bachelor," "master," "doctor," or "fellow" which signify or purport to signify satisfactory completion of an academic program of study beyond the secondary school level.
- (4) "Education" includes but is not limited to, any class, course, or program of training, instruction, or study.
- (5) "Educational credentials" means degrees, diplomas, certificates, transcripts, reports, documents, or letters of designation, marks, appellations, series of letters, numbers, or words which signify or appear to signify enrollment, attendance, progress, or satisfactory completion of the requirements or prerequisites for any educational program.
- (6) "Entity" includes, but is not limited to, a person, company, firm, society, association, partnership, corporation, or trust.
- (7) "Private vocational school" means any location where an entity is offering postsecondary education in any form or manner for the purpose of instructing, training, or preparing persons for any vocation or profession.

**WAC 490-105-030 - How are words and phrases used in these rules?**

- (4) *The term "private vocational school" is further defined to include instruction at the postsecondary level that is intended for use by individuals who have either completed high school or are beyond the age of compulsory school attendance. Instruction or training offered to pre-kindergarten, kindergarten, elementary, or secondary school students is not encompassed by the act.*

**WAC 490-105-060 - Do off-campus activities require licensing?**

- (1) *The agency may grant exemptions from licensing for off-campus activities that either:*
  - (a) *Absorb a temporary overload that the licensed facility cannot accommodate; or*
  - (b) *Provide a single, specialized kind of training activity, generally on a short-term basis, under circumstances that cannot readily be accommodated at the licensed facility; or*
  - (c) *Provide training under contract with a public agency, private company, or other sponsor as long as no contractual responsibility is created between students and the school and the training is not open to the general public.*
- (2) *The school must obtain approval from the agency before conducting operations at an auxiliary facility. To obtain approval, the school must document that:*

- (a) *The facility meets one of the above definitions;*
- (b) *The instructional program, site administration, and training are significantly integrated with the school's primary facility;*
- (c) *The facility will not be represented as a school location and its address will not be advertised; and*
- (d) *No enrollment will be solicited or executed at the auxiliary facility.*
- (3) *Activities occurring at an auxiliary facility must be incorporated into operational and financial data the school reports to the agency. However, income derived from activities conducted under contract should not be reported for purposes of calculating license fees or contributions to the tuition recovery trust fund (see subsection (1)(c) of this section).*

**RCW 28C.10.020 continued.**

- (8) **"To grant" includes to award, issue, sell, confer, bestow, or give.**
- (9) **"To offer" includes, in addition to its usual meanings, to advertise or publicize. "To offer" also means to solicit or encourage any person, directly or indirectly, to perform the act described.**
- (10) **"To operate" means to establish, keep, or maintain any facility or location where, from, or through which education is offered or educational credentials are offered or granted to residents of this state, and includes contracting for the performance of any such act.**

**RCW 28C.10.030 Application of chapter.** This chapter does not apply to:

- (1) **Bona fide trade, business, professional, or fraternal organizations sponsoring educational programs primarily for that organization's membership or offered by that organization on a no-fee basis;**
- (2) **Entities offering education that is exclusively avocational or recreational;**

**WAC 490-105-030 continued**

- (1) *The following clarifies the statutory exemptions under RCW 28C.10.030:*
  - (a) *"Avocational" or "recreational" means instruction that is primarily intended for leisure; it is not offered to provide a student with employable skills or competencies. Instruction offered as a prerequisite for a vocational program does not qualify for this exemption.*

**RCW 28C.10.030 continued**

- (3) **Education not requiring payment of money or other consideration if this education is not advertised or promoted as leading toward educational credentials;**
- (4) **Entities that are established, operated, and governed by this state or its political subdivisions under Title 28A, 28B, or 28C RCW;**
- (5) **Degree-granting programs in compliance with the rules of the higher education coordinating board;**
- (6) **Any other entity to the extent that it has been exempted from some or all of the provisions of this chapter under RCW 28C.10.100;**
- (7) **Entities not otherwise exempt that are of a religious character, but only as to those educational programs exclusively devoted to religious or theological objectives and represented accurately in institutional catalogs or other official publications;**
- (8) **Entities offering only courses certified by the federal aviation administration;**
- (9) **Barber and cosmetology schools licensed under chapter 18.16 RCW;**

- (10) **Entities which only offer courses approved to meet the continuing education requirements for licensure under chapter 18.04, 18.79, or 48.17 RCW; and**

WAC 490-105-030(1) continued

- (c) *"Programs of continuing professional education" include:*
- (i) *Review programs offered solely as preparation for tests leading to certification in specific disciplines but not offered to provide occupational competencies. For example, this exemption applies to test preparation programs that lead to: Certification by a state board of accountancy (CPA); certification by the institute of certified management accounting (CMA); admission to practice before a state bar; certification in health occupations initiated by the American Medical Association, American Dental Association, and their respective professional auxiliaries; and, acquisition of other public certificates of convenience and necessity; and*
  - (ii) *Programs offered to conform with rules adopted by state agencies that require practitioners to undergo continuing professional education as a condition to renewing certification or licensure.*

**RCW 28C.10.030 continued**

- (11) **Entities not otherwise exempt offering only workshops or seminars lasting no longer than three calendar days.**

WAC 490-105-030(1) continued

- (b) *"Entities not otherwise exempt offering only workshops or seminars lasting no longer than three calendar days" means instruction that can be completed within three eight-hour days. A vocational education program divided into a series of supplementary seminars does not qualify for this exemption.*

WAC 490-105-100, Who is exempt from licensing?

*To qualify for an exemption as test preparation or continuing education under WAC 490-105-030(1)(c), a school must apply to the agency on a form created for that purpose and obtain approval. Exemptions must be renewed annually.*

**RCW 28C.10.040 Agency's duties--Rules--Investigations--Interagency agreements about degree and nondegree programs. The agency:**

- (1) **Shall maintain a list of private vocational schools licensed under this chapter;**
- (2) **Shall adopt rules in accordance with chapter 34.05 RCW to carry out this chapter;**

WAC 490-105-010, What is the purpose of these rules?

*These regulations are adopted under chapter 28C.10 RCW in order to establish procedures for the licensing and regulation of private vocational schools.*

WAC 490-105-020, Who administers these rules?

*Unless otherwise indicated, the agency delegates authority for administering the act and these rules to the executive director, who may further delegate as necessary and appropriate.*

**RCW 28C.10.040 continued**

- (3) May investigate any entity the agency reasonably believes to be subject to the jurisdiction of this chapter. In connection with the investigation, the agency may administer oaths and affirmations, issue subpoenas and compel attendance, take evidence, and require the production of any books, papers, correspondence, memorandums, or other records which the agency deems relevant or material to the investigation. The agency, including its staff and any other authorized persons, may conduct site inspections and examine records of all schools subject to this chapter;
- (4) Shall develop an interagency agreement with the higher education coordinating board to regulate degree-granting private vocational schools with respect to degree and nondegree programs.

*WAC 490-105-230, Do these rules apply to degree granting private vocational schools?*

*Nondegree programs offered by degree-granting private vocational schools are regulated pursuant to the terms of an interagency agreement executed between the higher education coordinating board and the work force training and education coordinating board. Copies of the agreement are available from either agency on request.*

**RCW 28C.10.050 Minimum standards--Denial, revocation, or suspension of licenses.**

- (1) The agency shall adopt by rule minimum standards for entities operating private vocational schools.  
The minimum standards shall include, but not be limited to, requirements for each school to:

*WAC 490-105-160, What reports are required?*

*In addition to the minimum licensing standards described in RCW 28C.10.050, each school must:*

- (1) Complete and submit to the agency an annual Impact Data Survey; and
- (2) No later than July 1, 2000, submit the following information for each student who participated in training. The information will be used to compile consumer reports that will be published in the future:
  - (a) Student name, address, telephone number and Social Security number if provided by the student;
  - (b) Start date of training and date of completion or dropout;
  - (c) Whether or not the student graduated;
  - (d) Previous education before starting the current training program;
  - (e) Ethnicity;
  - (f) Date of birth;
  - (g) Gender;
  - (h) Program or major (for larger schools with multiple programs).

*WAC 490-105-040, What does it take to obtain a private vocational school license?*

- (6) Information regarding the qualifications of administrative and instructional personnel. (See RCW 28C.10.050 and 28C.10.060.) The education and experience of administrators, faculty, and other staff must be adequate to insure students will receive educational services consistent with the stated program objectives.
  - (a) The school must file the qualifications of all affected individuals with the agency within thirty calendar days of their employment. The information must be submitted on forms provided by the agency.

- (b) *The school must establish and enforce written policies for the qualification, supervision, and periodic evaluation of administrators, faculty, and staff.*
- (c) *School directors must have at least two years of experience in either school or business administration, teaching, or other experience related to their duties within the organization.*
- (d) *Faculty who teach a course related to an occupation for which the student must subsequently be licensed or certificated must:*
  - (i) *Hold or be qualified to hold such a license or certificate and possess at least two years of work experience, postsecondary training or a combination of both in the subject they instruct; or*
  - (ii) *Possess current evidence of being qualified to teach that has been issued by a regulatory agency of this or another state.*
- (e) *If the school uses teacher assistants, aides, or trainees, it must maintain policies governing their duties and functions. Such personnel may provide services to students only under the direct supervision of a qualified instructor. They may not act as substitutes for the instructor.*
- (f) *Administrators, faculty, agents and other staff must be of good moral character and reputation. The agency may find that a person is not of good moral character and reputation if the person has been convicted of:*
  - (i) *Any felony within the prior seven years;*
  - (ii) *A misdemeanor which involved the illegal use, possession, or sale of a controlled substance; or*
  - (iii) *A misdemeanor that involved any sexual offense.*
- (g) *If the person has been convicted of a felony, the agency will consider the relationship of the facts supporting the conviction to the performance of his or her occupational responsibilities with the licensed school and to that school's students.*
- (h) *In making such determinations the agency will request a letter of recommendation from the employing school and may consider any other related materials submitted by the school and/or affected individual prior to making a finding under this section*

**RCW 28C.10.050(1) continued**

- (a) **Disclose to the agency information about its ownership and financial position and to demonstrate that it has sufficient financial resources to fulfill its commitments to students. Financial disclosures provided to the agency shall not be subject to public disclosure under chapter 42.17 RCW;**

**WAC 490-105-040 continued**

*The application must include the following information attested to by the school's chief administrative officer:*

- (1) *An identification of owners, shareholders, and directors.*
  - (a) *The complete legal name, current telephone number, and current mailing address of the owner;*
  - (b) *The form of ownership; e.g., sole proprietorship, partnership, limited partnership, or corporation;*
  - (c) *Names, addresses, phone numbers, birth dates, and prior school affiliations if any, of all individuals with ten percent or more ownership interest;*
  - (d) *A school that is a corporation or a subsidiary of another corporation must submit:*

- (i) *Current evidence that the corporation is registered with the Washington secretary of state's office; and*
    - (ii) *The name, address and telephone number of the corporation's registered agent;*
  - (e) *"Ownership" of a school means:*
    - (i) *In the case of a school owned by an individual, that individual;*
    - (ii) *In the case of a school owned by a partnership, all full, silent and limited partners having a ten percent or more ownership interest;*
    - (iii) *In the case of a school owned by a corporation, the corporation, each corporate director, officer, and each shareholder owning shares of issued and outstanding stock aggregating at least ten percent of the total of the issued and outstanding shares;*
  - (f) *Schools under common ownership may designate a single location as the principal facility for recordkeeping via written notice to the agency.*
- (2) *Financial statement.*
- (a) *The school must submit information reflecting its financial condition at the close of its most recent fiscal year to demonstrate that it has sufficient financial resources to fulfill its commitments to students. The financial statement must be completed in a format supplied by the agency.*
  - (b) *If inadequate time exists to produce a financial statement in the interval between the ending date of the school's fiscal year and the due date of an application, the agency will adjust the school's license period to provide a reasonable interval.*
  - (c) *New schools must submit a proposed operating budget for the initial twelve months of operation rather than the financial statement described in (a) of this subsection. The proposed operating budget must be completed in a format supplied by the agency.*
  - (d) *New schools that have operated another business for at least one year, must submit, in addition to the proposed operating budget described in (c) of this subsection, a financial statement for that business. The financial statement must cover the existing business' most recently completed fiscal year and be prepared by a certified public accountant or be certified by the business' chief administrative officer.*
  - (e) *Owners of multiple schools may file financial information that consists of a single, consolidated financial statement and balance sheet for the corporation. The consolidated financial statement must be accompanied by data that documents total tuition earnings for each separate school under the corporation's ownership at the close of its most recent fiscal year. If historical data is not available, the data must project total tuition earnings for the school in its first or next completed twelve months of operation.*
- (3) *Financial references.*
- (a) *The school must furnish the names of at least one bank or other financial institution and two other entities that the agency may consult as financial references.*
  - (b) *A statement must be included authorizing the agency to obtain financial information from the references.*

**RCW 28C.10.050(1) continued**

- (b) **Follow a uniform state-wide cancellation and refund policy as specified by the agency;**



WAC 490-105-130, What are minimum requirements for student refunds?

At a minimum, schools must use the following cancellation and refund policies; however, the agency may approve refund policies whose terms are more favorable to students than the following established minimums. Refunds must be paid within thirty calendar days of the student's official date of termination.

(1) For resident programs:

- (a) The school must refund all money paid if the applicant is not accepted. This includes instances where a starting class is canceled by the school;
- (b) The school must refund all money paid if the applicant cancels within five business days (excluding Sundays and holidays) after the day the contract is signed or an initial payment is made, as long as the applicant has not begun training;
- (c) The school may retain an established registration fee equal to ten percent of the total tuition cost, or one hundred dollars, whichever is less, if the applicant cancels after the fifth business day after signing the contract or making an initial payment. A "registration fee" is any fee charged by a school to process student applications and establish a student records system;
- (d) If training is terminated after the student enters classes, the school may retain the registration fee established under (c) of this subsection, plus a percentage of the total tuition as described in the following table:

<b><i>If the student completes this amount of training:</i></b>	<b><i>The school may keep this percentage of the tuition cost:</i></b>
<i>One week or up to 10%, whichever is less</i>	<i>10%</i>
<i>More than one week or 10% whichever is less but less than 25%</i>	<i>25%</i>
<i>25% through 50%</i>	<i>50%</i>
<i>More than 50%</i>	<i>100%</i>

- (e) When calculating refunds, the official date of a student's termination is the last date of recorded attendance:
  - (i) When the school receives notice of the student's intention to discontinue the training program;
  - (ii) When the student is terminated for a violation of a published school policy which provides for termination;
  - (iii) When a student, without notice, fails to attend classes for thirty calendar days.

(2) Discontinued programs:

- (a) If instruction in any program is discontinued after training has begun or if the school moves from one location to another, it must either:
  - (i) Provide students pro rata refunds of all tuition and fees paid; or
  - (ii) Arrange for comparable training at another public or private vocational school. Students must accept comparable training in writing.
- (b) If the school plans to discontinue a program it must notify the agency and affected students in advance. The notification must be in writing and must include at least data required under WAC 490-105-210(3).
- (c) Students affected by a discontinuation must request a refund within ninety days.

(3) *For home study programs:*

- (a) *A student may request cancellation in any manner.*
- (b) *The following is a minimum refund policy for home study courses without mandatory resident training:*
  - (i) *An applicant may cancel up to five business days after signing the enrollment agreement. In the event of a dispute over timely notice, the burden to prove service rests on the applicant.*
  - (ii) *If a student cancels after the fifth calendar day but before the school receives the first completed lesson, the school may keep only a registration fee of either fifty dollars or an amount equal to fifteen percent of the tuition (in no case is the school entitled to keep a registration fee greater than one hundred fifty dollars).*
  - (iii) *After the school receives the student's first completed lesson and until the student completes half the total number of lessons in the program, the school is entitled to keep the registration fee and a percentage of the total tuition as described in the following table:*

<i>If the student completes this percentage of lessons:</i>	<i>The school may keep this percentage of the tuition cost:</i>
<i>0% through 10%</i>	<i>10%</i>
<i>11% through 25%</i>	<i>25%</i>
<i>26% through 50%</i>	<i>50%</i>
<i>More than 50%</i>	<i>100%</i>

- (iv) *Calculate the amount of the course completed by dividing the number of lesson assignments contained in the program by the number of completed lessons received from the student.*
- (4) *Combination home study/resident training programs:*
  - (a) *The following is a minimum refund policy for a home study program that includes mandatory resident training courses.*
    - (i) *Tuition for the home study and resident portions of the program must be stated separately on the enrollment agreement. The total of the two is the price of the program.*
    - (ii) *For settlement of the home study portion of the combination program, the provisions of the table in subsection (3)(b)(iii) of this section apply.*
    - (iii) *For the resident portion of the program, beginning with the first resident class session if the student requests a cancellation, the provisions of the table in subsection (1)(d) of this section apply.*
    - (iv) *Calculate the amount of resident training completed by dividing the total number of training days provided in the resident training program by the number of instructional days the student attends resident training.*
  - (b) *A home study student who cancels after paying full tuition is entitled to receive all course materials, including kits and equipment.*

**RCW 28C.10.050(1) continued**

- (c) **Disclose through use of a school catalog, brochure, or other written material, necessary information to students so that students may make informed enrollment decisions. The agency shall specify what information is required;**

**WAC 490-105-040 continued**

- (4) *A copy of the school's catalog. (See RCW 28C.10.050 (1)(c).) The school must publish a catalog or brochure that explains its operations and requirements. The catalog must be current, comprehensive, and accurate. The school must disclose the following in some combination of a catalog, brochure or other written material and furnish a copy of each to every prospective student prior to completing an enrollment agreement:*
- (a) *Date of publication;*
  - (b) *Names of owners having a ten percent or more equity ownership and officers, including any governing boards, and the name and address of its parent corporation, if a subsidiary;*
  - (c) *Names, addresses, and telephone numbers of the school's administrative offices and all auxiliary facilities;*
  - (d) *Names and qualifications of faculty. The list must be accurate as of the date of catalog publication. Any changes of faculty must be noted on a catalog errata sheet;*
  - (e) *The school calendar, including hours of operation, holidays, enrollment periods, and the beginning and ending dates of terms, courses, or programs as may be appropriate;*
  - (f) *Admission procedures including policies describing all prerequisites needed by entering students to:*
    - (i) *Successfully complete the programs of study in which they are interested;*  
*and*
    - (ii) *Qualify for the fields of employment for which their education is designed;*
  - (g) *A description of the placement assistance offered, if any. If no assistance is offered, the school must make that fact known;*
  - (h) *The school's policy regarding student conduct, including causes for dismissal and conditions for readmission;*
  - (i) *The school's policy regarding leave, absences, class cuts, makeup work, tardiness, and interruptions for unsatisfactory attendance;*
  - (j) *The school's policy regarding standards of progress required of the student. This policy must define the grading system, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory progress, a description of the probationary period, if any, allowed by the school, conditions for reentrance for those students dismissed for unsatisfactory progress; and information that a statement will be furnished to the student regarding satisfactory or unsatisfactory progress;*
  - (k) *An accurate description of the school's facilities and equipment available for student use, the maximum or usual class size and the average student/teacher ratio;*
  - (l) *The total cost of training including registration fee, if any, tuition, books, supplies, equipment, laboratory usage, special clothing, student activities, insurance and all other charges and expenses necessary for completion of the program;*
  - (m) *A description of each program of instruction, including:*

- (i) *Specific program objectives including the job titles for which the program purports to train;*
- (ii) *The number of clock or credit hours of instruction, the method of instruction (e.g., correspondence, classroom, lab, computer assisted), and the average length of time required for successful completion;*
- (iii) *If instruction is calculated in credit hours, the catalog must contain at least one prominent statement describing the contact hour conversion formula applied by the school; i.e., the number of contact hours applicable to each quarter or semester credit hour of lecture, laboratory/practicum, and/or internship/externship;*
- (iv) *For the purpose of home study schools, instructional sequences must be described in numbers of lessons. "Home study school" means the instructional format of the school involves the sequential distribution of lessons to the student, who studies the material, completes an examination, and returns the examination to the school. The school then grades the examination (and, in some instances, provides additional comments and instruction), and returns the graded examination to the student along with the next set of instructional materials;*
- (n) *The scope and sequence of courses or programs required to achieve the educational objective;*
- (o) *A statement indicating the type of educational credential that is awarded upon successful completion;*
- (p) *The school's cancellation and refund policy;*
- (q) *The following statement must appear prominently on either the first or last printed page or inside the front or back cover: THIS SCHOOL IS LICENSED UNDER CHAPTER 28C.10 RCW; INQUIRIES OR COMPLAINTS REGARDING THIS OR ANY OTHER PRIVATE VOCATIONAL SCHOOL MAY BE MADE TO THE: WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD, 128 TENTH AVENUE SW, P. O. BOX 43105, OLYMPIA, WASHINGTON 98504-3105 (360/753-5673);*
- (r) *The availability of financial aid, if any;*
- (s) *Supplements or errata sheets for the catalog and other written materials related to enrollment must be filed with the agency prior to being used (see RCW 28C.10.110(2)):*
  - (i) *Supplements or errata sheets must be made an integral part of that publication;*
  - (ii) *The supplement or errata sheet must include its publication date;*
  - (iii) *In the event information on a supplement or errata sheet supplants information contained in the catalog, the insert must identify the information it replaces, including at the least an appropriate page reference.*

**RCW 28C.050(1) continued**

- (d) **Use an enrollment contract or agreement that includes: (i) The cancellation and refund policy, (ii) a brief statement that the school is licensed under this chapter and that inquiries may be made to the agency, and (iii) other necessary information as determined by the agency;**

WAC 490-105-040 continued

- (5) *A copy of the school's enrollment agreement/contract. (See RCW 28C.10.050 (1)(d).) An enrollment agreement is any agreement that creates a binding obligation to purchase a course of instruction from a school. Each school must use an enrollment contract or agreement that includes:*
- (a) *The school's cancellation and refund policy, in accordance with these rules, displayed in a type size no smaller than that used to meet any other requirements of this section;*
  - (b) *The following statement: THIS SCHOOL IS LICENSED UNDER CHAPTER 28C.10 RCW; INQUIRIES OR COMPLAINTS REGARDING THIS OR ANY OTHER PRIVATE VOCATIONAL SCHOOL MAY BE MADE TO THE: WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD, 128 TENTH AVENUE SW, P. O. BOX 43105, OLYMPIA, WASHINGTON 98504-3105 (360/753-5673);*
  - (c) *Information that will clearly and completely define the terms of the agreement between the student and the school, including at least the following:*
    - (i) *The name and address of the school and the student;*
    - (ii) *The program or course title as it appears in the school's catalog, date training is to begin, and the number of hours or units of instruction or lessons for which the student is enrolled;*
    - (iii) *An itemization of all charges, fees, and required purchases being incurred by the student or his/her sponsor in order to complete the training. The student enrollment agreement must also contain the methods of payment and/or payment schedule being established;*
    - (iv) *Language explaining that the agreement will be binding only when it has been fully completed, signed and dated by the student and an authorized representative of the school prior to the time instruction begins;*
  - (d) *A statement that any changes in the agreement will not be binding on either the student or the school unless such changes have been acknowledged in writing by an authorized representative of the school and by the student or the student's parent or guardian if he/she is a minor;*
  - (e) *A "NOTICE TO THE BUYER" section which includes the following statements in a position above the space reserved for the student's signature:*
    - (i) *"DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES. THIS IS A LEGAL INSTRUMENT.*
    - (ii) *ALL PAGES OF THE CONTRACT ARE BINDING.*
    - (iii) *READ BOTH SIDES OF ALL PAGES BEFORE SIGNING.*
    - (iv) *YOU ARE ENTITLED TO AN EXACT COPY OF THE AGREEMENT, SCHOOL CATALOG AND ANY OTHER PAPERS YOU SIGN AND ARE REQUIRED TO SIGN A STATEMENT ACKNOWLEDGING RECEIPT OF THOSE.*
    - (v) *IF YOU HAVE NOT STARTED TRAINING, YOU MAY CANCEL THIS CONTRACT BY PROVIDING WRITTEN NOTICE OF CANCELLATION TO THE SCHOOL AT ITS ADDRESS SHOWN ON THE CONTRACT. THE NOTICE MUST BE POSTMARKED NOT LATER THAN MIDNIGHT OF THE FIFTH BUSINESS DAY (EXCLUDING SUNDAYS AND HOLIDAYS) FOLLOWING YOUR SIGNING THIS CONTRACT OR THE WRITTEN NOTICE MAY BE PERSONALLY OR OTHERWISE DELIVERED TO THE SCHOOL WITHIN THAT TIME. IN EVENT OF DISPUTE OVER TIMELY NOTICE, THE BURDEN TO PROVE SERVICE RESTS ON THE APPLICANT.*

- (vi) *IT IS AN UNFAIR BUSINESS PRACTICE FOR THE SCHOOL TO SELL, DISCOUNT OR OTHERWISE TRANSFER THIS CONTRACT OR PROMISSORY NOTE WITHOUT THE SIGNED WRITTEN CONSENT OF THE STUDENT OR HIS/HER FINANCIAL SPONSORS AND A WRITTEN STATEMENT NOTIFYING ALL PARTIES THAT THE CANCELLATION AND REFUND POLICY CONTINUES TO APPLY."*
- (f) *Attached to each contract must be a form provided by the agency that contains statements relating to the student's rights, responsibilities, and loan repayment obligations; and the school's responsibility to counsel the student against incurring excessive debt;*
- (g) *The school must provide the student a copy of the signed enrollment agreement.*

**RCW 28C.10.050(1) continued**

- (e) **Describe accurately and completely in writing to students before their enrollment prerequisites and requirements for (i) completing successfully the programs of study in which they are interested and (ii) qualifying for the fields of employment for which their education is designed;**
- (f) **Comply with the requirements of RCW 28C.10.084;**
- (g) **Assess the basic skills and relevant aptitudes of each potential student to determine that a potential student has the basic skills and relevant aptitudes necessary to complete and benefit from the program in which the student plans to enroll. Guidelines for such assessments shall be developed by the agency, in consultation with the schools. The method of assessment shall be reported to the agency. Assessment records shall be maintained in the student's file;**

WAC 490-105-140, What are student admission standards?

*Prior to enrolling students the school must assess their basic skills and relevant aptitudes to determine that they have the ability to complete and benefit from the training they are considering.*

- (1) *When a school applies for initial licensing under chapter 28C.10 RCW, it must submit a description of the method it will use to comply with the requirements under this section. Any subsequent change in that method must be reported to the agency no more than fifteen calendar days after the change is adopted.*
- (2) *The school must measure all applicants' ability to benefit against current prerequisites for employment in the job objective established for the program, e.g., prior work and health history, driving and arrest records, and evaluations of any applicable physiological factors such as vision acuity, color perception, lifting and weight bearing capabilities, and manual dexterity.*
- (3) *Applicants who have earned a high school diploma or General Educational Development (GED) certificate may be considered to have adequate academic abilities to meet learning needs.*
- (4) *Applicants who have not earned a high school diploma or GED must be tested. The school must adopt or devise a test to assess the applicants' academic abilities. The test must have the capability of:*
  - (a) *Validating that applicants possess skills, competencies, and knowledge that correlate with grades, course or program completion or other measures of success in the program of study; or*
  - (b) *Validating that applicants' academic skills, competencies, and knowledge are at a level equivalent to that of persons completing a high school education;*

- (c) *Comparing success ratios of accepted students with test cut-off scores and incorporating appropriate cut-off adjustments.*
- (5) *Any ability to benefit (ATB) test that has been published by the American College Testing Service (ACT) or reviewed and approved by the American Council on Education (ACE) is acceptable evidence of meeting the criteria in subsection (4) of this section.*
- (6) *The following must be part of the methodology developed for assessment:*
  - (a) *In the event tests are administered by school officials, evidence the tests are being administered as intended by the publisher;*
  - (b) *Information about the test security procedures employed, evidencing that students have no advance information about the exact questions or tasks and that answers cannot be supplied by a third party while completing the test(s);*
  - (c) *Information about test scoring procedures employed, evidencing that if tests are scored by school officials the tests are being evaluated as intended by the publisher;*
  - (d) *Information that the tests are free from information that is offensive with regard to gender, age, native language, ethnic origin, or handicapping conditions.*
- (7) *Records resulting from the ability to benefit assessment must be included as a regular part of all students' records.*

**RCW 28C.10.050(1) continued**

- (h) **Discuss with each potential student the potential student's obligations in signing any enrollment contract and/or incurring any debt for educational purposes. The discussion shall include the inadvisability of acquiring an excessive educational debt burden that will be difficult to repay given employment opportunities and average starting salaries in the potential student's chosen occupation.**
- (2) **Any enrollment contract shall have an attachment in a format provided by the agency. The attachment shall be signed by both the school and the student. The attachment shall stipulate that the school has complied with subsection (1)(h) of this section and that the student understands and accepts his or her responsibilities in signing any enrollment contract or debt application. The attachment shall also stipulate that the enrollment contract shall not be binding for at least five days, excluding Sundays and holidays, following signature of the enrollment contract by both parties.**
- (3) **The agency shall deny, revoke, or suspend the license of any school that does not meet or maintain the minimum standards.**

**WAC 490-105-030 continued**

- (2) *The term "revoke" as used in RCW 28C.10.050(3) means an agency action that terminates a school's license. The agency's executive director or designee may revoke a school's license for just cause.*
- (3) *The term "suspend" as used in RCW 28C.10.050(3) means an action by which the agency interrupts the school's authority to make offers of training. The agency's executive director or designee may suspend a school's license for just cause. An order of suspension prohibits the school from beginning instruction of new students for a maximum of thirty days. The school may remain in operation to continue training students in regular attendance on the date the suspension takes effect.*

**RCW 28C.10.060 Licenses--Requirements--Renewal.** Any entity desiring to operate a private vocational school shall apply for a license to the agency on a form provided by the agency.

The agency shall issue a license if the school:

- (1) Files a completed application with information satisfactory to the agency.  
Misrepresentation by an applicant shall be grounds for the agency, at its discretion, to deny or revoke a license.
  - (2) Complies with the requirements for the tuition recovery trust fund under RCW 28C.10.084.
  - (3) Pays the required fees.
  - (4) Meets the minimum standards adopted by the agency under RCW 28C.10.050.
- Licenses shall be valid for one year from the date of issue unless revoked or suspended. If a school fails to file a completed renewal application at least thirty days before the expiration date of its current license the school shall be subject to payment of a late filing fee fixed by the agency.

WAC 490-105-040 continued

*An entity that wishes to operate a private vocational school must apply for a license on forms provided by the agency. If the agency determines an application is deficient, the applicant will be so notified. The applicant must correct the deficiencies within thirty days of notification. If that fails to occur, the application will be returned to the applicant. The license application fee will not be refunded. The agency's executive director or designee may deny a license application for just cause*

WAC 490-105-090, How often must a license be renewed?

*Private vocational school licenses must be renewed annually. The renewal application must include a financial statement attested to by the chief administrative officer; amendments to any statements or materials on file that are no longer accurate; and the required fees.*

WAC 490-105-110, Display of Licenses - Loss or destruction

*The school must display its license or auxiliary facility certificate prominently in the licensed premises.*

- (1) *If the license or auxiliary facility certificate is lost or destroyed, the school must apply for a duplicate and pay the reissuance fee described in WAC 490-105-070(2) (Other fees).*
- (2) *If the school plans to change its name, it must notify the agency in advance and pay the certificate reissuance fee described in WAC 490-105-070(2) (Other fees).*
- (3) *If the school plans to change its location or that of an auxiliary facility it must notify the agency in advance and pay the certificate reissuance fee described in WAC 490-105-070(2) (Other fees).*

WAC 490-105-120, What if the school changes ownership?

*Private vocational school licenses are not transferable. When a sale takes place, the school's license expires. The new owner must secure a new license.*

- (1) *The following are considered changes of ownership:*
  - (a) *A sale by the sole proprietor of a school, unless the seller becomes the majority stockholder of the buying corporation;*
  - (b) *A change in the majority interest of general partners of a partnership; or*
  - (c) *A sale or transfer of stock that creates a change in the majority interest in the issued and outstanding shares of a corporation.*



- (2) *To assure there is no disruption in students' training the agency may extend the existing license for up to sixty calendar days beyond the date the ownership changes. To obtain this extension, the new owner must:*
  - (a) *Apply for a new license no less than fifteen calendar days prior to the sale; and*
  - (b) *Furnish a written statement that the school will continue to meet all conditions in the act and regulations during the time the new license is pending.*
- (3) *If the new owner fails to become licensed within sixty calendar days of the date of sale the school may not continue to operate unless the agency has granted an extension of time. Continued operation without an extension is a violation of RCW 28C.10.090.*

*WAC 490-105-150, What are program, facility, and equipment standards?*

- (1) *The school must design and implement programs that will adequately achieve the stated objectives for which they are offered. In evaluating programs, the agency will use as a guideline their comparability to similar programs that have been established by other comparable schools.*
- (2) *The school must have an exact physical location which:*
  - (a) *Is adequate to meet the needs of its students and the objectives of the program;*
  - (b) *Provides a modern and effective learning environment with enough classroom, laboratory, and shop space for the number of students to be trained; and*
  - (c) *Is maintained in compliance with state laws and local ordinances related to safety and health.*
- (3) *The school must have equipment, furniture, instructional devices and aids, machinery and other physical features that are:*
  - (a) *Adequate in number and condition to achieve the stated educational objectives of the course;*
  - (b) *Comparable in number and quality with those used by comparable schools with similar programs;*
  - (c) *Comparable to those in current use by the appropriate trade, business or profession; and*
  - (d) *Of sufficient quantity for the number of enrolled students.*

*WAC 490-105-220, Notice of Adverse Actions - Change of Circumstances*

*When a school applies for an initial license or license renewal, it must advise the agency of any consent orders with the Federal Trade Commission or any adverse actions that have been taken by a federal or state agency, the courts, or accrediting commissions. The school must inform the agency in writing of actions being taken to correct deficiencies cited. Any change of circumstance, including bankruptcy, which would amend information reported in the application for initial license or license renewal must be filed with the agency within ten calendar days of the change.*

**RCW 28C.10.070 Fees.** **The agency shall establish fees by rule at a level necessary to approximately recover the staffing costs incurred in administering this chapter. All fees collected under this section shall be deposited in the state general fund.**

*WAC 490-105-070 - How much does it cost to obtain a license?*

- (1) *Annual fee:*
  - (a) *A school located within the state of Washington must pay an annual license application fee based on total annual tuition income.*

- (b) *A school located outside the state of Washington must pay an annual license application fee based on the total annual tuition income received from or on behalf of Washington state residents.*
- (c) *A new school that has not been in operation prior to the date of initial licensing must base its application fee on estimated total annual tuition income.*

<i>If the school's total annual tuition income is:</i>	<i>Its Annual License Fee is:</i>
<i>\$0 - \$25,000</i>	<i>\$250</i>
<i>\$25,001 - \$50,000</i>	<i>\$500</i>
<i>\$50,001 - \$100,000</i>	<i>\$600</i>
<i>\$100,001 - \$250,000</i>	<i>\$750</i>
<i>\$250,001 - \$500,000</i>	<i>\$1,000</i>
<i>\$500,001 - \$1,000,000</i>	<i>\$1,500</i>
<i>\$1,000,001 - \$2,500,000</i>	<i>\$2,000</i>
<i>\$2,500,001 +</i>	<i>\$2,500</i>

- (2) *Other fees:*

<i>Sales Agents representing out-of-state schools</i>	<i>\$120 annually per agent</i>
<i>Late filing of renewal application</i>	<i>\$25 per day to a maximum of 30 calendar days</i>
<i>Auxiliary location certificate, reissuance of license/auxiliary certificate, change of school name or location</i>	<i>\$25</i>

- (3) *All fees related to licensing, except for the initial deposit to the tuition recovery trust fund, are nonrefundable. No right to a license or registration is established or implied through the payment of fees.*

**RCW 28C.10.082 Tuition recovery trust fund--Created--State treasurer custodian.** The tuition recovery trust fund is hereby established in the custody of the state treasurer. The agency shall deposit in the fund all moneys received under RCW 28C.10.084. Moneys in the fund may be spent only for the purposes under RCW 28C.10.084. Disbursements from the fund shall be on authorization of the agency. The fund is subject to the allotment procedure provided under chapter 43.88 RCW, but no appropriation is required for disbursements.

**RCW 28C.10.084 Tuition recovery trust fund--Deposits required--Use--Claims--Notice--Disbursements.**

- (1) The agency shall establish, maintain, and administer a tuition recovery trust fund. All funds collected for the tuition recovery trust fund are payable to the state for the benefit and protection of any student or enrollee of a private vocational school licensed under this chapter, or, in the case of a minor, his or her parents or guardian, for purposes including but not limited to the settlement of claims related to school closures under subsection (10) of this section and the settlement of claims under RCW 28C.10.120. The fund shall be liable for settlement of claims and costs of administration but shall not be liable to pay out or recover penalties assessed under RCW 28C.10.130 or 28C.10.140. No liability accrues to the state of Washington from claims made against the fund.
- (2) By June 30, 1998, a minimum operating balance of one million dollars shall be achieved in the fund and maintained thereafter. If disbursements reduce the operating balance below two hundred thousand dollars at any time before June 30, 1998, or below one million dollars thereafter, each participating owner shall be assessed a pro rata share of the deficiency created, based upon the incremental scale created under subsection (6) of this section for each private vocational school. The agency shall adopt schedules of times and amounts for effecting payments of assessment.
- (3) In order for a private vocational school to be and remain licensed under this chapter each owner shall, in addition to other requirements under this chapter, make cash deposits on behalf of the school into a tuition recovery trust fund as a means to assure payment of claims brought under this chapter.
- (4) The amount of liability that can be satisfied by this fund on behalf of each private vocational school licensed under this chapter shall be the amount of unearned prepaid tuition in possession of the owner.
- (5) The fund's liability with respect to each participating private vocational school commences on the date of the initial deposit into the fund made on its behalf and ceases one year from the date the school is no longer licensed under this chapter.
- (6) The agency shall adopt by rule a matrix for calculating the deposits into the fund on behalf of each vocational school. Proration shall be determined by factoring the school's share of liability in proportion to the aggregated liability of all participants under the fund by grouping such prorations under the incremental scale created by subsection (4) of this section. Expressed as a percentage of the total liability, that figure determines the amount to be contributed when factored into a fund containing one million dollars. The total amount of its prorated share, minus the amount paid for initial capitalization, shall be payable in up to twenty increments over a ten-year period, commencing with the sixth month after the initial capitalization deposit has been made on behalf of the school. Additionally, the agency shall require deposits for initial capitalization, under which the amount each owner deposits is proportionate to the school's share of two hundred thousand dollars, employing the matrix developed under this subsection.
- (7) No vested right or interests in deposited funds is created or implied for the depositor, either at any time during the operation of the fund or at any such future time that the fund may be dissolved. All funds deposited are payable to the state for the purposes described under this section. The agency shall maintain the fund, serve appropriate notices to affected owners when scheduled deposits are due, collect deposits, and make

disbursements to settle claims against the fund. When the aggregated deposits total five million dollars and the history of disbursements justifies such modifications, the agency may at its own option reduce the schedule of deposits whether as to time, amount, or both and the agency may also entertain proposals from among the licensees with regard to disbursing surplus funds for such purposes as vocational scholarships.

- (8) Based on annual financial data supplied by the owner, the agency shall determine whether the increment assigned to that private vocational school on the incremental scale established under subsection (6) of this section has changed. If an increase or decrease in gross annual tuition income has occurred, a corresponding change in the school's incremental position and contribution schedule shall be made before the date of the owner's next scheduled deposit into the fund. Such adjustments shall only be calculated and applied annually.
- (9) If the majority ownership interest in a private vocational school is conveyed through sale or other means into different ownership, all contributions made to the date of transfer remain in the fund. The new owner shall continue to make contributions to the fund until the original ten-year cycle is completed. All tuition recovery trust fund contributions shall remain with the private vocational school transferred, and no additional cash deposits may be required beyond the original ten-year contribution cycle.
- (10) To settle claims adjudicated under RCW 28C.10.120 and claims resulting when a private vocational school ceases to provide educational services, the agency may make disbursements from the fund. Students enrolled under a training contract executed between a school and a public or private agency or business are not eligible to make a claim against the fund. In addition to the processes described for making reimbursements related to claims under RCW 28C.10.120, the following procedures are established to deal with reimbursements related to school closures:

  - (a) The agency shall attempt to notify all potential claimants. The unavailability of records and other circumstances surrounding a school closure may make it impossible or unreasonable for the agency to ascertain the names and whereabouts of each potential claimant but the agency shall make reasonable inquiries to secure that information from all likely sources. The agency shall then proceed to settle the claims on the basis of information in its possession. The agency is not responsible or liable for claims or for handling claims that may subsequently appear or be discovered.
  - (b) Thirty days after identified potential claimants have been notified, if a claimant refuses or neglects to file a claim verification as requested in such notice, the agency shall be relieved of further duty or action on behalf of the claimant under this chapter.
  - (c) After verification and review, the agency may disburse funds from the tuition recovery trust fund to settle or compromise the claims. However, the liability of the fund for claims against the closed school shall not exceed the amount of unearned prepaid tuition in the possession of the owner.
  - (d) In the instance of claims against a closed school, the agency shall seek to recover such disbursed funds from the assets of the defaulted owner, including but not limited to asserting claims as a creditor in bankruptcy proceedings.

WAC 490-105-210, What if a school closes?

- (1) *"Ceases to provide educational services" means that a stoppage of training has occurred because:*
  - (a) *Facilities are rendered continuously unusable for a period of thirty calendar days or more; or*
  - (b) *Faculty or qualified substitutes assigned to a specific class are not available or otherwise fail to perform instructional duties for five or more successive days of scheduled instruction; or*
  - (c) *Bankruptcy proceedings or other financial conditions exist that result in the school interrupting scheduled instruction for five or more successive days; or*
  - (d) *Adverse action has been taken by a federal, state, or local jurisdiction which result in the school interrupting scheduled instruction for five or more successive days.*
- (2) *The school must take measures to protect the contractual rights of present and former students if it ceases to provide educational services. The school must return its license certificate to the agency within ten calendar days of ceasing to provide educational services or expiration of the school's license, whichever occurs first.*
- (3) *If the school ceases to provide educational services, either voluntarily or involuntarily, it must:*
  - (a) *Inform the agency promptly by the most expeditious means available and send confirmation by certified mail within three business days;*
  - (b) *Provide the name, address, and telephone number of the person(s) designated to be responsible for fulfilling the requirements of this section;*
  - (c) *Provide the agency with the following information for each student who has not completed a course or program:*
    - (i) *Name;*
    - (ii) *Social Security number;*
    - (iii) *Address and telephone number of record;*
    - (iv) *Program name and amount of tuition and fees charged;*
    - (v) *Amount of tuition and fees paid to date;*
    - (vi) *Amount of class time left to complete the course or program; and*
    - (vii) *If the tuition and fees were paid through federal student aid, the amount and type of aid;*
  - (d) *A written notice must be distributed to all enrolled students at least three business days prior to a planned cessation. The notice must explain the procedures students are to follow to secure refunds or continue their education. A copy of the notice must also be submitted to the agency within three business days;*
  - (e) *File with the agency procedures for disbursement of refunds to students and set a date no longer than thirty calendar days from the last day of instruction to issue refund checks in the full amount for which students are entitled;*
- (4) *File with the agency its plans if any, for teach-out; ensuring that all affected students will continue to receive training at another institution of the same quality and content as that for which they contracted:*
  - (a) *Arrangements for teaching out students must be filed with the agency;*
  - (b) *The agency will verify that students will receive the same kind of program and instructional services as those for which they contracted;*
- (5) *Make pro rata refunds to any student who does not agree, in writing, to comparable training. Refunds must be paid to either the student or his/her parent, guardian or sponsor*

*based on a day-by-day proportion of the services provided compared to the total length of the program.*

- (6) *Make specific arrangements to transfer transcripts and other student records described under WAC 490-105-210 to the agency's custody.*

**RCW 28C.10.084 continued**

- (11) **When funds are disbursed to settle claims against a licensed private vocational school, the agency shall make demand upon the owner for recovery. The agency shall adopt schedules of times and amounts for effecting recoveries. An owner's failure to perform subjects the school's license to suspension or revocation under RCW 28C.10.050 in addition to any other available remedies.**
- (12) **For purposes of this section, "owner" includes, but is not limited to, a person, company, firm, society, association, partnership, corporation, or trust having a controlling ownership interest in a private vocational school.**

WAC 490-105-080 How are contributions to the tuition recovery trust fund calculated? (See RCW 28C.10.082 and 28C.10.084.)

- (1) *Establishment of fund liability. The amount of liability that can be satisfied by this fund on behalf of each individual school licensed under this chapter is the amount of unearned prepaid tuition in the possession of the owner.*
- (a) *If the school is located within the state of Washington, the amount of liability that can be satisfied by this fund is the amount of unearned, prepaid tuition from or on behalf of all students.*
- (b) *If the school is located outside the state of Washington, the amount of liability that can be satisfied by this fund is the amount of unearned prepaid tuition from or on behalf of Washington state residents.*
- (2) *Matrices for calculating initial deposits and any assessments necessary under subsection (7) of this section:*

<i>Annual Tuition Revenue:</i>	<i>Prorated Share:</i>
<i>\$0 - \$50,000</i>	<i>0.15%</i>
<i>\$50,001 - \$75,000</i>	<i>0.23%</i>
<i>\$75,001 - \$100,000</i>	<i>0.30%</i>
<i>\$100,001 - \$150,000</i>	<i>0.46%</i>
<i>\$150,001 - \$200,000</i>	<i>0.61%</i>
<i>\$200,001 - \$250,000</i>	<i>0.76%</i>
<i>\$250,001 - \$350,000</i>	<i>1.07%</i>
<i>\$350,001 - \$500,000</i>	<i>1.52%</i>
<i>\$500,001 - \$750,000</i>	<i>2.28%</i>
<i>\$750,001 - \$1,000,000</i>	<i>3.05%</i>
<i>\$1,000,001 - \$1,250,000</i>	<i>3.81%</i>
<i>\$1,250,001 - \$1,500,000</i>	<i>4.57%</i>
<i>\$1,500,001 - \$1,750,000</i>	<i>5.33%</i>
<i>\$1,750,001 - \$2,000,000</i>	<i>6.10%</i>
<i>\$2,000,001 - \$2,250,000</i>	<i>6.86%</i>
<i>\$2,250,001 - \$2,500,000</i>	<i>7.62%</i>
<i>&gt;\$2,500,000</i>	<i>8.38%</i>

- (3) *Initial deposit. When a new school submits its initial license application, it must include for deposit into the tuition recovery trust fund, the amount identified in the second column of the table below.*
- (4) *Contribution schedule. In order to remain licensed under this chapter, the school must remit to the agency semiannual payments for deposit into the tuition recovery trust fund. The amount of the deposits for the first five years is calculated by applying the percentages displayed under subsection (2) of this section to an amount totaling one million dollars as required by RCW 28C.10.084. In the second five years contributions for amounts between zero and one hundred fifty thousand dollars will be reduced by fifty percent.*

<i>If the school's total annual tuition income is:</i>	<i>A new school will make an initial deposit to the fund of:</i>	<i>The school will make the following semiannual payments for the first five years it is licensed:</i>	<i>The school will make the following semiannual payments for the second five years it is licensed:</i>
\$0 - \$50,000	\$305	\$122	\$61
\$50,001 - \$75,000	\$457	\$183	\$92
\$75,001 - \$100,000	\$609	\$244	\$122
\$100,001 - \$150,000	\$914	\$366	\$183
\$150,001 - \$200,000	\$1,219	\$487	\$487
\$200,001 - \$250,000	\$1,523	\$609	\$609
\$250,001 - \$350,000	\$2,133	\$853	\$853
\$350,001 - \$500,000	\$3,046	\$1,219	\$1,219
\$500,001 - \$750,000	\$4,570	\$1,828	\$1,828
\$750,001 - \$1,000,000	\$6,093	\$2,437	\$2,437
\$1,000,001 - \$1,250,000	\$7,616	\$3,046	\$3,046
\$1,250,001 - \$1,500,000	\$9,139	\$3,656	\$3,656
\$1,500,001 - \$1,750,000	\$10,663	\$4,265	\$4,265
\$1,750,001 - \$2,000,000	\$12,186	\$4,874	\$4,874
\$2,000,001 - \$2,250,000	\$13,710	\$5,483	\$5,483
\$2,250,001 - \$2,500,000	\$15,233	\$6,092	\$6,092
>\$2,500,000	\$16,757	\$6,702	\$6,702

- (5) *The agency will send semiannual notices of the due dates and amounts of deposits required under subsection (4) of this section. The fee for late filings under WAC 490-105-070(2) of this chapter applies to late payments of deposits into the fund for a period cumulating to thirty calendar days. Failure to make a deposit within thirty calendar days is a violation of RCW 28C.10.050 (1)(f).*
- (6) *Each semiannual notice will include:*
  - (a) *The school's aggregated prior deposits into the fund;*
  - (b) *The school's balance of remaining payments, based on the most recent deposit received and adjusted to the current contribution level;*
  - (c) *The cumulated balance existing in the fund at the most recent half-year accounting; and*
  - (d) *A summary showing any disbursements made from the fund to satisfy claims in the period since the last summary was disseminated.*
- (7) *If disbursements made to settle claims reduce the operating balance below one million dollars and recovery of such funds has not been ensured under the provisions of RCW 28C.10.084 (10)(d), the agency will assess each school a pro rata share of the amount required to restore the deficiency. The assessment will be made within thirty calendar days of the date deficiency is created. Each school's share of the assessment will be calculated using the percentages established under subsection (2) of this section. If the school's assessment equals or is less than the semiannual amount of deposit established for the school under subsection (4) of this section, the assessment must be paid within thirty calendar days of notice. If the assessment exceeds the amount of the school's semiannual deposit, it may apply to the agency for a schedule of deferred payments. The agency will grant deferrals on application, but in no case will the extension exceed one year beyond the date of the assessment.*
- (8) *Funds disbursed to settle claims against a currently licensed school will be recovered by the agency under a schedule to be negotiated with the affected school on a case-by-case basis. To secure deferral of payment more than thirty calendar days after demand for recovery is*



*made, the burden to prove manifest hardship rests on the school but in no case will the time extended exceed one year beyond the date of the initial demand notice.*

- (9) *Claimant, as referenced under RCW 28C.10.084 (10)(a), is further defined to mean an enrolled student in regular attendance or on an authorized leave of absence at the time of closure.*

**RCW 28C.10.090 Actions prohibited without license.** A private vocational school, whether located in this state or outside of this state, shall not conduct business of any kind, make any offers, advertise or solicit, or enter into any contracts unless the private vocational school is licensed under this chapter.

WAC 490-105-170, What actions are prohibited?

- (1) *The term "unfair business practice" under RCW 28C.10.110(11) is further defined to mean those practices described as prohibited under RCW 28C.10.090.*

**RCW 28C.10.100 Suspension or modification of requirements of chapter.** The executive director of the agency may suspend or modify any of the requirements under this chapter in a particular case if the agency finds that:

- (1) The suspension or modification is consistent with the purposes of this chapter; and
- (2) The education to be offered addresses a substantial, demonstrated need among residents of the state or that literal application of this chapter would cause a manifestly unreasonable hardship.

**RCW 28C.10.110 Unfair business practices.** It is an unfair business practice for an entity owning a private vocational school or an agent employed by a private vocational school to:

- (1) Fail to comply with the terms of a student enrollment contract or agreement;
- (2) Use an enrollment contract form, catalog, brochure, or similar written material affecting the terms and conditions of student enrollment other than that previously submitted to the agency and authorized for use;
- (3) Advertise in the help wanted section of a newspaper or otherwise represent falsely, directly or by implication, that the school is an employment agency, is making an offer of employment or otherwise is attempting to conceal the fact that what is being represented are course offerings of a school;

WAC 490-105-170 continued

- (3) *Schools are prohibited under RCW 28C.10.110(3) from advertising educational programs under the "help wanted" section of publications. Schools may, however, advertise under a help wanted classification for the purposes of:*
  - (a) *Recruiting for bona fide job openings; or*
  - (b) *Soliciting job opportunities for available graduates.*
- (4) *To establish consistency in the implementation of this section, the following definitions will apply:*
  - (a) *"Advertise" means the publishing by a school of information that establishes its identity, location, and nature of its training programs. It may or may not contain an offer of training.*

- (b) *"Help wanted" section means any classified advertising section in a publication that contains job listings. The particular wording the publication uses to identify such a section is not material.*
- (c) *"Newspaper" means a printed publication containing news, editorials, advertisements, etc. The definition extends to tabloids such as "nickel-savers" that contain primarily or exclusively advertising. It is not material whether the publication is sold or given away.*
- (d) *For purposes of this section, it is not considered "advertising" if a school inserts a notice in a "help wanted" section referring the reader to a different classified heading in the same issue of the same publication, as long as:*
  - (i) *An offer of training is being made by the school under an appropriate other section in the same issue of the same publication; and*
  - (ii) *The referral notice contains only the name of the school and not its address, telephone number, or description of program(s); and*
  - (iii) *The overall size and general appearance of what appears as a notice is consistent with its purpose only to refer readers elsewhere.*
- (5) *Schools are prohibited from making offers of training without including the full name and/or d/b/a under which the school is licensed. Permutations of the name and/or d/b/a such as initials or nicknames can be used only with prior written permission of the agency.*

**RCW 28C.10.110 continued**

- (4) **Represent falsely, directly or by implication, that an educational program is approved by a particular industry or that successful completion of the program qualifies a student for admission to a labor union or similar organization or for the receipt of a state license in any business, occupation, or profession;**
- (5) **Represent falsely, directly or by implication, that a student who successfully completes a course or program of instruction may transfer credit for the course or program to any institution of higher education;**
- (6) **Represent falsely, directly or by implication, in advertising or in any other manner, the school's size, location, facilities, equipment, faculty qualifications, or the extent or nature of any approval received from an accrediting association;**
- (7) **Represent that the school is approved, recommended, or endorsed by the state of Washington or by the agency, except the fact that the school is authorized to operate under this chapter may be stated;**
- (8) **Provide prospective students with any testimonial, endorsement, or other information which has the tendency to mislead or deceive prospective students or the public regarding current practices of the school, current conditions for employment opportunities, or probable earnings in the occupation for which the education was designed;**
- (9) **Designate or refer to sales representatives as "counselors," "advisors," or similar terms which have the tendency to mislead or deceive prospective students or the public regarding the authority or qualifications of the sales representatives;**

**WAC 490-105-050, How does a school register its sales agents?**

- (1) *Each school must register its sales agents with the agency within thirty calendar days of their hire.*
- (2) *An application to register a sales agent must be in writing on forms supplied by the agency.*

- (3) *Each individual applying to be registered as an agent is considered to be acting as an agent of the school designated on the application. No person can be independently registered to perform the functions of an agent.*
- (4) *If an individual is applying to represent a private vocational school that is located in another state and does not operate a training facility within Washington state, the application must be accompanied by the fee in WAC 490-105-070(2).*
- (5) *Each school to whom the agent is registered must notify the agency in writing within thirty calendar days following the date that the registered agent ceases to perform those services.*
- (6) *Each school must provide training to sales agents prior to their representing the school. The training must include at a minimum:*
  - (a) *Provisions of the Private Vocational School Act (chapter 28C.10 RCW) and the regulations contained in this chapter;*
  - (b) *A detailed review of the school's catalog, enrollment contract, and refund policy;*
  - (c) *An organized review of the school's policies and practices governing the ethical conduct of sales agents.*

**RCW 28C.10.110 continued**

- (10) **Make or cause to be made any statement or representation in connection with the offering of education if the school or agent knows or reasonably should have known the statement or representation to be false, substantially inaccurate, or misleading;**
- (11) **Engage in methods of advertising, sales, collection, credit, or other business practices which are false, deceptive, misleading, or unfair, as determined by the agency by rule; or**

**WAC 490-105-170 continued**

- (2) *In addition to the actions described in RCW 28C.10.110 it is an unfair business practice for a private vocational school or its agent to:*
  - (a) *Advertise, offer, sell, or award any educational credential without requiring the consumer to enroll in and successfully complete a prescribed program of study, as outlined in the school's catalog or brochure;*
  - (b) *Sell, discount, or transfer contracts or promissory notes for tuition to third parties without the signed consent of the student or the student's financial sponsors, and a statement notifying all parties that the cancellation and refund policy continues to apply;*
  - (c) *Misrepresent to students the potential amount of federal financial aid available;*
  - (d) *Employ the term "accredited" in advertising unless:*
    - (i) *The school holds a current grant of accreditation; and*
    - (ii) *The term "accredited" is accompanied with equal prominence by the full name and/or seal of the agency from whom the school holds a current grant of accreditation.*
    - (iii) *If the accrediting agency is not recognized by the United States Secretary of Education under the provisions of the Higher Education Act (Chapter 34 CFR), as amended, the school must provide the agency with documentation of its grant of accreditation and other related information required by the agency to establish the nature and scope of the accrediting agency. The agency will approve or disapprove its use in advertising after reviewing submitted documentation.*

**RCW 28C.10.110 continued**

- (12) **Attempt to recruit students in or within forty feet of a building that contains a welfare or unemployment office. Recruiting includes, but is not limited to canvassing and surveying. Recruiting does not include leaving materials at or near an office for a person to pick up of his or her own accord, or handing a brochure or leaflet to a person provided that no attempt is made to obtain a name, address, telephone number, or other data, or to otherwise actively pursue the enrollment of the individual.**

**WAC 490-105-170 continued**

- (6) *RCW 28C.10.110(12) makes it an unfair business practice for a school to attempt to recruit students within forty feet of a building that contains a welfare or unemployment office. The term "recruiting" is defined by statute. Other terms employed in the statute are further defined as follows:*
- (a) *The distance of "forty feet from a building" is measured as a straight line from any doorway affording public access. In instances of buildings with multiple entrances, the distance is measured from any part of the structure.*
  - (b) *When applied to state government, "welfare or unemployment office" means buildings offering public access to provide services to clients of the Washington state employment security department or the department of social and health services.*
  - (c) *When applied to county and municipal agencies, "welfare or unemployment office" means those buildings offering public access for the purpose of providing shelter, food, employment, health, and social services.*
  - (d) *The term "welfare or unemployment office" includes established locations operated by community-based, nonprofit organizations for the purpose of providing shelter, food, employment, health, and social services to disadvantaged populations.*

**RCW 28C.10.110 continued**

**It is a violation of this chapter for an entity operating a private vocational school to engage in an unfair business practice. The agency may deny, revoke, or suspend the license of any entity that is found to have engaged in a substantial number of unfair business practices or that has engaged in significant unfair business practices.**

**WAC 490-105-170 continued**

- (7) *The agency is authorized to deny, revoke, or suspend the license of any school found to have engaged in a "substantial number" of unfair business practices or "significant" unfair business practices. Those two quoted terms are further defined as follows:*
- (a) *The agency may conclude that a substantial number of unfair business practices has occurred when a pattern of persistent violations exists and there are multiple complaints alleging various unfair business practices.*
  - (b) *The agency may conclude that unfair business practices are significant when it determines that their egregious nature threaten the operation of the school and/or jeopardize the ability of students to secure contracted services. An abrupt school closure which fails to comply with WAC 490-105-210 provisions may also be considered as significant.*

**RCW 28C.10.120 Complaints--Investigations--Hearings--Remedies.**

- (1) Complaints may be filed under this chapter only by a person claiming loss of tuition or fees as a result of an unfair business practice. The complaint shall set forth the alleged violation and shall contain information required by the agency on forms provided for that purpose. A complaint may also be filed with the agency by an authorized staff member of the agency or by the attorney general.**
- (2) The agency shall investigate any complaint under this section and shall first attempt to bring about a negotiated settlement. The agency director or the director's designee may conduct an informal hearing with the affected parties in order to determine whether a violation has occurred.**
- (3) If the agency finds that the private vocational school or its agent engaged in or is engaging in any unfair business practice, the agency shall issue and cause to be served upon the violator an order requiring the violator to cease and desist from the act or practice and may impose the penalties provided under RCW 28C.10.130. If the agency finds that the complainant has suffered loss as a result of the act or practice, the agency may order the violator to pay full or partial restitution of any amounts lost. The loss may include any money paid for tuition, required or recommended course materials, and any reasonable living expenses incurred by the complainant during the time the complainant was enrolled at the school.**
- (4) The complainant is not bound by the agency's determination of restitution. The complainant may reject that determination and may pursue any other legal remedy.**
- (5) The violator may, within twenty days of being served any order described under subsection (3) of this section, file an appeal under the administrative procedure act, chapter 34.05 RCW. Timely filing stays the agency's order during the pendency of the appeal. If the agency prevails, the appellant shall pay the costs of the administrative hearing.**

**WAC 490-105-190, What agency actions can a school appeal?**

- (1) In addition to the action described under RCW 28C.10.120(5), a school may appeal the following:**
  - (a) A denial of an exemption under RCW 28C.10.030(6).**
  - (b) A denial, suspension or revocation of licensing under RCW 28C.10.050.**
- (2) An appeal filed by a school will result in an administrative hearing conducted by a designated hearings officer in accordance with the Administrative Procedure Act, chapter 34.05 RCW (see RCW 28C.10.120):**
  - (a) The hearings officer will make findings and conclusions in accordance with the Administrative Procedure Act, chapter 34.05 RCW. The findings, conclusions, and any recommendations for action will be submitted to the executive director for final action pursuant to RCW 34.05.464.**
  - (b) The executive director may accept or reject, in whole or in part, any recommendations made by the hearings officer, may remand for further findings, or take any other action deemed appropriate under the circumstances, pursuant to the provisions of the act and these rules.**

**WAC 490-105-180, How are student complaints handled?**

- (1) A complaint must be filed no more than:**
  - (a) One calendar year following:**
    - (i) A resident student's last recorded date of attendance; or**

- (ii) *The date the school received a home study student's last completed lesson;*  
*or*
  - (b) *Sixty calendar days from the date a school ceases to provide educational services.*
- (2) *The agency may extend the time a student has to file a complaint if the student can establish that good faith efforts to obtain satisfaction from the school were being made during the time elapsed.*
- (3) *The term "a person" used to reference a complainant under RCW 28C.10.120(1) is further defined to mean only individuals who established a contractual relationship through their enrollment in a school or, in the case of a minor, the minor's parent or guardian.*
  - (a) *Private or public agencies, employers, or others who contract with a private vocational school to provide training services to a particular individual or individuals do not have access to the complaint process.*
  - (b) *When a person establishes a financial obligation for only a portion of the contracted costs and is subsidized for the remainder as described under (a) of this subsection, that student's claim will be prorated to recognize only the unsubsidized amount.*
- (4) *The agency may consider the following costs when determining losses suffered by a complainant:*
  - (a) *Tuition and fees;*
  - (b) *Transportation costs;*
  - (c) *Books, supplies, equipment, uniforms and protective clothing, rental charges; and*
  - (d) *Insurance required by the school.*
- (5) *In estimating a student's attendance related expenses other than tuition, the agency may use standards developed under Title IV of the Higher Education Act or those of the Washington state departments of employment security and social and health services.*
- (6) *When the agency receives a complaint, it will:*
  - (a) *Evaluate the complaint for completeness and to determine eligibility within ten working days after receipt;*
  - (b) *Accept or reject the complaint and so notify the complainant within an additional five working days;*
  - (c) *Forward a copy of a bona fide complaint and related attachments to the school by certified mail.*
- (7) *The school has fifteen working days after receipt to respond to the student's complaint. If a school fails to submit a timely response the agency will conclude the school has no defense to offer.*
- (8) *Based on all information then available, the agency will:*
  - (a) *Investigate the facts;*
  - (b) *Secure additional information if so indicated;*
  - (c) *Attempt to bring about a negotiated solution;*
  - (d) *Adjudicate the complaint by making findings, conclusions, and determinations; and*
  - (e) *Notify all parties of the determinations and remedies.*
- (9) *If a student can document that the procedures used by the agency to resolve a complaint were either unreasonable, unfair, or not in keeping with the intent of the law, the student may request a review of the decision.*
  - (a) *The student must request the review in writing within twenty days following receipt of the complaint determination. A timely request stays the agency's determination during the review process.*
  - (b) *When the agency receives a request for review it will:*

- (i) *Notify the school that the student has requested a review and that the complaint determination will not take effect until the review has been completed;*
- (ii) *Schedule an informal hearing to be conducted by agency staff; and*
- (iii) *Make a final determination regarding the complaint within fifteen working days following the hearing.*

**RCW 28C.10.130 Violations--Civil penalties.** Any private vocational school or agent violating RCW 28C.10.060, 28C.10.090, or 28C.10.110 or the applicable agency rules is subject to a civil penalty of not more than one hundred dollars for each separate violation. Each day on which a violation occurs constitutes a separate violation. Multiple violations on a single day may be considered separate violations. The fine may be imposed by the agency under RCW 28C.10.120, or in any court of competent jurisdiction.

**RCW 28C.10.140 Violations--Criminal sanctions.** Any entity or any owner, officer, agent, or employee of such entity who willfully violates RCW 28C.10.060 or 28C.10.090 is guilty of a gross misdemeanor and, upon conviction, shall be punished by a fine of not to exceed one thousand dollars or by imprisonment in the county jail for not to exceed one year, or by both such fine and imprisonment.

Each day on which a violation occurs constitutes a separate violation. The criminal sanctions may be imposed by a court of competent jurisdiction in an action brought by the attorney general of this state.

**RCW 28C.10.150 Actions resulting in jurisdiction of courts.** A private vocational school, whether located in this state or outside of this state, that conducts business of any kind, makes any offers, advertises, solicits, or enters into any contracts in this state or with a resident of this state is subject to the jurisdiction of the courts of this state for any cause of action arising from the acts.

**RCW 28C.10.160 Educational records--Permanent file--Protection.** If any private vocational school discontinues its operation, the chief administrative officer of the school shall file with the agency the original or legible true copies of all educational records required by the agency. If the agency determines that any educational records are in danger of being made unavailable to the agency, the agency may seek a court order to protect and if necessary take possession of the records. The agency shall cause to be maintained a permanent file of educational records coming into its possession.

**WAC 490-105-200, What are the minimum requirements for record retention?**

*The school must keep student educational records for a minimum of fifty years from the date of each student's enrollment or until the school ceases to be licensed under this chapter, whichever comes first.*

- (1) *"Educational records" include single page transcripts for each student, indicating:*
  - (a) *School name, address and telephone number;*
  - (b) *Student name, address, telephone number, and Social Security number;*
  - (c) *Dates of attendance;*
  - (d) *Course of instruction or subjects attempted;*
  - (e) *Amount of credit, if any, awarded for each subject;*

- (f) *Grade for each subject completed;*
  - (g) *Date of completion or termination along with notation of the document issued signifying satisfactory completion, if achieved (degree, diploma, certificate);*
  - (h) *If terminated, the reason(s) for termination;*
  - (i) *Signature and title of the certifying officer; and*
  - (j) *Date that transcript is prepared.*
- (2) *On request, the school must provide, without charge, a transcript, described under subsection (1) of this section, to students who have satisfied financial obligations currently due and payable directly to the school. The school may establish and collect a fee for subsequent copies requested.*
  - (3) *"Financial records" include the following and must be kept for a minimum of three years from the student's date of enrollment:*
    - (a) *Signed and completed enrollment agreements and other training related contracts; and*
    - (b) *The student's payment record.*
  - (4) *Financial aid records related to Title IV student financial assistance are not under state jurisdiction, and should be kept in accordance with appropriate federal regulations.*
  - (5) *Catalogs, catalog supplements, and errata sheets must be kept for one year from their respective dates of publication.*

**RCW 28C.10.170 Contracts voidable--When.** If a student or prospective student is a resident of this state at the time any contract relating to payment for education or any note, instrument, or other evidence of indebtedness relating thereto is entered into, RCW 28C.10.180 shall govern the rights of the parties to the contract or evidence of indebtedness. If a contract or evidence of indebtedness contains any of the following agreements, the contract is voidable at the option of the student or prospective student:

- (1) **That the law of another state shall apply;**
- (2) **That the maker or any person liable on the contract or evidence of indebtedness consents to the jurisdiction of another state;**
- (3) **That another person is authorized to confess judgment on the contract or evidence of indebtedness; or**
- (4) **That fixes venue.**

**RCW 28C.10.180 Enforceability of debts--Authority to offer degree required.** A note, instrument, or other evidence of indebtedness or contract relating to payment for education is not enforceable in the courts of this state by a private vocational school or holder of the instrument unless the private vocational school was licensed under this chapter at the time the note, instrument, or other evidence of indebtedness or contract was entered into.

**RCW 28C.10.190 Actions to enforce chapter--Who may bring--Relief.** The attorney general or the prosecuting attorney of any county in which a private vocational school or agent of the school is found may bring an action in any court of competent jurisdiction for the enforcement of this chapter. The court may issue an injunction or grant any other appropriate form of relief.

**RCW 28C.10.200 Injunctive relief--Agency may seek.** The agency may seek injunctive relief, after giving notice to the affected party, in a court of competent jurisdiction for a violation of this chapter or the rules adopted under this chapter. The agency need not allege or prove that



the agency has no adequate remedy at law. The right of injunction provided in this section is in addition to any other legal remedy which the agency has and is in addition to any right of criminal prosecution provided by law. The existence of agency action with respect to alleged violations of this chapter and rules adopted under this chapter does not operate as a bar to an action for injunctive relief under this section.

**RCW 28C.10.210 Violation of chapter unfair or deceptive practice under RCW 19.86.020.** A violation of this chapter or the rules adopted under this chapter affects the public interest and is an unfair or deceptive act or practice in violation of RCW 19.86.020 of the consumer protection act. The remedies and sanctions provided by this section shall not preclude application of other remedies and sanctions.

**RCW 28C.10.220 Remedies and penalties in chapter nonexclusive and cumulative.** The remedies and penalties provided for in this chapter are nonexclusive and cumulative and do not affect any other actions or proceedings.

**RCW 28C.10.900 Severability.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

**RCW 28C.10.902 Effective date.** This act shall take effect July 1, 1986.